



News Release

Contact:

Bruce P. Rounds, Vice President CFO
920-748-1634

ALLIANCE LAUNDRY HOLDINGS LLC REPORTS POSITIVE 1st QUARTER EARNINGS

Ripon, Wis. – May 10, 2011 — Alliance Laundry Holdings LLC announced today results for the three months ended March 31, 2011.

Net revenues for the quarter ended March 31, 2011 increased \$11.6 million, or 12.5%, to \$104.3 million from \$92.7 million for the quarter ended March 31, 2010. Our net income for the quarter ended March 31, 2011 increased \$0.3 million to \$4.8 million from \$4.5 million for the quarter ended March 31, 2010. Adjusted EBITDA (see “About Non-GAAP Financial Measures” below) for the quarter ended March 31, 2011 was \$19.0 million as compared to \$17.0 million for the quarter ended March 31, 2010.

The overall net revenue increase of \$11.6 million was primarily attributable to an increase in United States and Canada revenues of \$6.4 million, an increase in Asia revenues of \$2.8 million, an increase in Europe revenues of \$2.4 million and an increase in Latin America revenues of \$0.3 million, which were partially offset by a decrease in Middle East & Africa revenues of \$0.3 million.

The overall net income increase of \$0.3 million for the quarter ended March 31, 2011 was primarily attributable to improved gross profit of \$3.7 million, partially offset by higher selling, general and administrative expense of \$1.1 million, a non-recurring closure provision related to our Nazareth, Belgium facility of \$1.1 million, higher provision for income taxes of \$0.9 million and higher interest expense of \$0.3 million.

In announcing the Company’s results, CEO Michael D. Schoeb said, “Continued momentum in the first quarter of 2011 provides us with increasing confidence that we have appropriately positioned our business for growth as the global economy recovers. We continue to believe that 2011 will be a transition year, with improving market conditions in most regions and continued geographic penetration outpacing the market.”

Schoeb concluded, “We expect a strong earnings performance for 2011 and have intensified our effort on new product development to position the business for growth as we emerge from this downturn. Throughout the remainder of the year, we will continue to diligently manage working capital as we balance our debt reduction priorities with necessary investments to support our strategic initiatives, take advantage of improving end market demand, and position the business for long-term growth.”

About Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles (GAAP), we also disclose EBITDA and Adjusted EBITDA, which are non-GAAP measures. We have presented EBITDA and Adjusted EBITDA because certain covenants in our Senior Credit Facility are tied to ratios based on these measures. "EBITDA" represents net income before interest expense, income tax provision and depreciation and amortization, and "Adjusted EBITDA" (as defined under the Senior Credit Facility) is EBITDA as further adjusted to exclude, among other things, certain non-recurring expenses and other non-recurring non-cash charges. EBITDA and Adjusted EBITDA do not represent, and should not be considered, an alternative to net income or cash flow from operations, as determined by GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. Our Senior Credit Facility requires us to satisfy specified financial ratios and tests, including a maximum of total debt to Adjusted EBITDA and a minimum Adjusted EBITDA to cash interest expense. To the extent that we fail to maintain either of these ratios within the limits set forth in the Senior Credit Facility, our ability to access amounts available under our Revolving Credit Facility would be limited, our liquidity would be adversely affected and our obligations under the Senior Credit Facility could be accelerated. A reconciliation of EBITDA and Adjusted EBITDA with the most directly comparable GAAP measure is included below for the three months ended March 31, 2011 along with the components of EBITDA and Adjusted EBITDA.

About Alliance Laundry Holdings LLC

Alliance Laundry Holdings LLC is the parent company of Alliance Laundry Systems LLC (www.comlaundry.com), a leading designer, manufacturer, and marketer in North America of commercial laundry equipment used in laundromats, multi-housing laundries and on-premise laundries. Under the well-known brand names of Speed Queen[®], UniMac[®], Huebsch[®], IPSO[®], and Cissell[®], we produce a full line of commercial washing machines and dryers with load capacities from 12 to 200 pounds. We have been a leader in the United States and Canada stand-alone commercial laundry equipment industry for more than ten years. With the addition of our foreign operations and our ability to offer a complete range of brands and products throughout the world, we believe that we are a leader in the global stand-alone commercial laundry equipment industry.

Safe Harbor for Forward-Looking Statements

With the exception of the reported actual results, this press release contains predictions, estimates and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of our business to differ materially from those expressed or implied by such forward-looking statements. Although we believe that our plans, intentions and expectations reflected in such forward-looking statements are based on reasonable assumptions, we can give no assurance that such plans, intentions, expectations, objectives or goals will be achieved. Important factors that could cause actual results to differ materially from those included in forward-looking statements include: impact of competition; continued sales to key customers; possible fluctuations in the cost of raw materials and components; possible fluctuations in currency exchange rates, which affect the competitiveness of our products abroad; possible fluctuation in interest rates, which affects our earnings and cash flows; possible loss of suppliers; risks related to our asset backed facilities; the availability of borrowings under our Revolving Credit Facility; dependence on key personnel; labor relations; potential liability for environmental, health and safety matters; potential future legal proceedings and litigation; and other risks listed from time to time in the Company's reports, including, but not limited to our Annual Report for the year ended December 31, 2010.

Financial information for Alliance Laundry Holdings LLC appears on the next five pages for the three months ended March 31, 2011.

ALLIANCE LAUNDRY HOLDINGS LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands)

	March 31,	December 31,
	2011	2010
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 34,846	\$ 37,743
Restricted cash - for securitization investors.....	19,266	17,528
Accounts receivable, net.....	23,334	24,830
Inventories, net.....	54,789	40,562
Accounts receivable - restricted for securitization investors.....	63,810	61,113
Loans receivable, net - restricted for securitization investors.....	43,089	43,408
Deferred income tax asset, net.....	9,185	8,968
Prepaid expenses and other assets.....	5,399	4,868
Total current assets.....	253,718	239,020
Loans receivable, net.....	4,970	4,136
Property, plant and equipment, net.....	56,166	56,075
Goodwill.....	183,002	181,377
Loans receivable, net - restricted for securitization investors.....	214,808	217,871
Debt issuance costs, net.....	7,133	7,442
Intangible assets, net.....	137,607	137,347
Total assets.....	\$ 857,404	\$ 843,268
Liabilities and Member(s)' Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations.....	\$ 3	\$ 4
Revolving credit facility.....	-	-
Accounts payable.....	48,722	38,542
Asset backed borrowings - owed to securitization investors.....	73,657	75,152
Other current liabilities.....	33,780	33,466
Total current liabilities.....	156,162	147,164
Long-term debt and capital lease obligations.....	271,354	276,253
Asset backed borrowings - owed to securitization investors.....	187,795	189,035
Deferred income tax liability, net.....	14,967	11,673
Other long-term liabilities.....	21,567	22,082
Total liabilities.....	651,845	646,207
Commitments and contingencies		
Member(s)' equity.....	205,559	197,061
Total liabilities and member(s)' equity.....	\$ 857,404	\$ 843,268

- more -

ALLIANCE LAUNDRY HOLDINGS LLC
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2011	March 31, 2010
Net revenues:		
Equipment and service parts.....	\$ 102,433	\$ 91,375
Equipment financing, net.....	1,823	1,305
Net revenues.....	104,256	92,680
Cost of sales.....	73,904	66,019
Gross profit.....	30,352	26,661
Selling, general and administrative expense.....	15,120	14,027
Other costs.....	1,113	-
Total operating expenses.....	16,233	14,027
Operating income.....	14,119	12,634
Interest expense.....	5,986	5,694
Income before taxes.....	8,133	6,940
Provision for income taxes.....	3,349	2,417
Net income.....	\$ 4,784	\$ 4,523

ALLIANCE LAUNDRY HOLDINGS LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended	
	March 31,	March 31,
	2011	2010
Cash flows from operating activities:		
Net income.....	\$ 4,784	\$ 4,523
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	3,953	4,317
Non-cash interest expense.....	101	23
Non-cash (gain) loss on commodity & foreign exchange contracts, net.....	(462)	205
Non-cash executive unit compensation.....	864	567
Non-cash income from loan forgiveness.....	(13)	(13)
Deferred income taxes.....	2,760	1,573
(Gain)/Loss on sale of fixed assets.....	(42)	10
Changes in assets and liabilities:		
Accounts and notes receivable.....	1,817	(911)
Accounts receivable - restricted for securitization investors.....	(2,697)	8,498
Inventories.....	(13,533)	(1,005)
Loans receivable, net - restricted for securitization investors.....	3,382	(2,457)
Other assets.....	(557)	(424)
Accounts payable.....	9,621	684
Other liabilities.....	(1,399)	(2,988)
Net cash provided by operating activities.....	8,579	12,602
Cash flows from investing activities:		
Capital expenditures.....	(2,803)	(1,525)
Restricted cash - for securitization investors.....	(1,738)	737
Net cash used in investing activities.....	(4,541)	(788)
Cash flows from financing activities:		
Principal payments on long-term debt.....	(5,000)	(3,000)
Change in other long-term debt, net.....	(1)	(139)
Net decrease in asset backed borrowings owed to securitization investors.....	(2,735)	(7,081)
Net cash used in financing activities.....	(7,736)	(10,220)
Effect of exchange rate changes on cash and cash equivalents.....	801	(33)
Increase (decrease) in cash and cash equivalents.....	(2,897)	1,561
Cash and cash equivalents at beginning of period.....	37,743	24,615
Cash and cash equivalents at end of period.....	\$ 34,846	\$ 26,176
Supplemental disclosure of cash flow information:		
Cash paid for interest.....	\$ 5,624	\$ 8,288
Cash paid for income taxes.....	\$ 139	\$ 149

- more -

Reconciliation of Net income to EBITDA and Adjusted EBITDA, and reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities for the Three Months Ended March 31, 2011 and March 31, 2010. (Dollars in Thousands):

	Three Months Ended	
	March 31, 2011	March 31, 2010
Net income.....	\$ 4,784	\$ 4,523
Provision for income taxes.....	3,349	2,417
Interest expense.....	5,986	5,694
Depreciation and amortization (a).....	3,953	4,317
Non-cash interest income included in amortization above.....	(300)	(479)
EBITDA.....	<u>17,772</u>	<u>16,472</u>
Securitization interest - permitted receivables financing (b)	(290)	(291)
Other non-recurring charges (c).....	1,113	-
Other non-cash charges (d).....	402	772
Adjusted EBITDA.....	<u>18,997</u>	<u>16,953</u>
Interest expense.....	(5,986)	(5,694)
Non-cash interest income included in amortization above.....	300	479
Other non-cash interest.....	-	23
Other non-recurring charges (c).....	(1,113)	-
Cash taxes paid and payable.....	(253)	(556)
Changes in assets and liabilities.....	<u>(3,366)</u>	<u>1,397</u>
Net cash provided by operating activities.....	<u>\$ 8,579</u>	<u>\$ 12,602</u>

- (a) Depreciation and amortization amounts include amortization of deferred financing costs included in interest expense.
- (b) Securitization Interest – permitted receivables financing represents interest expense on trade receivables sold to ALERT 2009A. This activity was consolidated in our financial statements effective January 1, 2010 in conjunction with the adoption of new accounting guidance. Beginning with the first quarter of 2010, this expense, which is charged to the interest expense line of our Condensed Consolidated Statements of Income, is deducted in calculating Adjusted EBITDA.
- (c) Other non-recurring charges are described as follows:
- Other non-recurring charges of \$1.1 million for the quarter ended March 31, 2011 consist of estimated severance costs related to the closure of the Nazareth, Belgium manufacturing facility, which is included in the other costs line of our Condensed Consolidated Statements of Income. There were no similar expenses for the quarter ended March 31, 2010.
- (d) Other non-cash charges are described as follows:
- Other non-cash charges for the quarter ended March 31, 2011 relate to \$0.9 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our Condensed Consolidated Statements of Income and \$0.5 million of non-cash mark-to-market income relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our Condensed Consolidated Statements of Income.

- Other non-cash charges for the quarter ended March 31, 2010 relate to \$0.6 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our Condensed Consolidated Statements of Income and \$0.2 million of non-cash mark-to-market losses relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our Condensed Consolidated Statements of Income.